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USIB-D-1.5/24
25 June 1962

UNITED STATES INTELLIGENCE BOARD

MEMORANDUM FOR THE UNITED STATES INTELLIGENCE BOARD

SUBJECT : Security Committee Report Regarding Implementation of Joint Study Group Recommendation No. 18

REFERENCES : a. USIB-D-1.5/4, 21 February 1961
b. USIB-M-142, 28 February 1961, item 5

1. The attached report on implementation of NSC-approved Joint Study Group Recommendation No. 18, which is forwarded for Board consideration, was developed by the Security Committee and coordinated, pursuant to provisions of the references, with the SIGINT Committee. The latter Committee advised, subsequent to its review of the paper on 15 June, that it had no comments or recommendations on the report.

2. As indicated in Mr. Bannerman's memorandum, the Army member of the Security Committee has not concurred in this report. His proposals for changes in the findings, conclusions, and recommendations therein are set forth in Attachment II. The Navy member of the Security Committee supports those proposals.

3. We presently plan to place the subject report on the agenda of an early USIB meeting (probably that of 11 July), for discussion and action on the Security Committee's recommendation that the Board approve issuance of (a) the draft Policy Statement Concerning Counterintelligence and Security Responsibilities (Attachment I) and (b) the Guide re Practices and Procedures for Counterintelligence and Security of Overseas Personnel and Installations as contained in Tabs A and B.

Attachments

Group 1
Excluded from automatic
downgrading and declassification

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IBSEC-PR/2
18 May 1962

UNITED STATES INTELLIGENCE BOARD
SECURITY COMMITTEE

MEMORANDUM FOR: Members of the United States Intelligence Board

SUBJECT : Report of the Security Committee in Implementing Recommendation No. 18 of the Joint Study Group Report re "Foreign Intelligence Activities of the United States Government" dated 15 December 1960

REFERENCE : (a) USIB-D-1.5/4, 21 February 1961
(b) USIB-M-142, 28 February 1961, Item 5
(c) USIB-D-1.5/11, 8 August 1961

1. There is herein submitted for the consideration of the Board, the report of the Security Committee which was requested to consider Recommendation No. 18 of the Joint Study Group as clarified by the Assistant for Coordination. The Army Member, with the concurrence of the Navy Member, has taken an exception to the Committee report. This exception is set forth below in Paragraph 10.

2. Recommendation No. 13 is as follows:

"The Director of Central Intelligence should focus community attention on the important area of counterintelligence and security of overseas personnel and installations, and the agencies

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concerned should make periodic reports to their Agency heads."

3. Prior to initiating its action on this recommendation, the Security Committee sought further clarification as to the Joint Study Group intent with respect to counterintelligence and security. Accordingly, it was determined through the Assistant for Coordination that the task of the Security Committee was, "to recommend to the DCI, USIB or individual agencies such actions, procedures, or policies as would improve physical and personnel security and lead to more effective counterintelligence activity overseas" and that, "the Security Committee has no responsibility or authority for coordinating counterintelligence operations. Under NSCID No. 5 such responsibility rests with the DCI."

4. In accordance with the recommendation, the Security Committee confined its consideration of the problem to the counterintelligence and security of overseas personnel and installations of the USIB member departments and agencies. It is noted that this problem does concern those departments and agencies with overseas responsibilities which are not represented on USIB. Accordingly, all U. S. personnel assigned overseas should recognize that they share a basic responsibility to protect the security of U. S. activities overseas. It is recognized that the heads of departments and agencies have the responsibility for directing the security programs of their departments and agencies.

5. The Security Committee undertook a review of the National Security Act of 1947 and of pertinent directives, such as, NSCID No. 5, DCID's Nos. 5/1 through 5/3, E. O. No. 10450 and E. O. No. 10501, as amended, governing counterintelligence and existing policy concerning the security of personnel and classified information. It is the finding of the Security Committee that existing interdepartmental directives governing the security of U. S. personnel and installations overseas are adequate. Implementation, however, requires a continued flow of pertinent security and counterintelligence information both among and within U. S. departments and agencies bearing overseas counterintelligence or security responsibilities, and at both headquarters and subordinate levels, in

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accordance with need-to-know. Equally important is the continued counterflow of such information from the field to departmental repositories and the central counterintelligence records described in DCID 5/3. Development and implementation of an adequate security program depends upon the availability of pertinent information required for accurate appraisal of the hostile threat.

6. The Security Committee finds that some field components of departments and agencies sometimes lack information which would enhance their security. In part, the unavailability of the information is unavoidable; widespread dissemination of some sensitive items would plainly engender more security problems than it would solve. However, the Security Committee considers that an increased flow of information can be achieved without unduly endangering methods and sources. It therefore suggests that all departments and agencies concerned (1) sanitize useful materials which they produce, with a view to providing protection at the point of origin, and (2) ensure that the dissemination restrictions of the originating agency are observed.

7. Since the hostile clandestine threat is essentially the same in terms of goals, personnel, and tactics, regardless of the U. S. target, improvement in U. S. security defenses depends not only upon a sharing of needed information but also upon observance of procedures and practices which by experience are found to be most effective in protecting U. S. interests in general and sensitive sources, methods, and activities in particular. However, it was also recognized that the differing missions and organization of U. S. agencies require that these agencies implement these practices and procedures in different ways.

8. It is the opinion of the Security Committee that a policy statement by the United States Intelligence Board to define responsibilities to ensure closer coordination among the counterintelligence and security components of the USIB member agencies is necessary. The Committee has prepared a draft policy statement for the Board which is attached (Attachment I).

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9. As a guide for the departments and agencies, the Committee has identified certain desirable practices and procedures for obtaining, reporting, and utilizing pertinent counterintelligence and security information affecting personnel and installations overseas. These practices and procedures are set forth in Tab A of the attached policy statement. As a guide, the Committee has also identified certain particularly desirable security practices and procedures for personnel and installations overseas, which are set forth in Tabs B and C.

10. The Army Member of the Committee has taken an exception to the Committee report and has submitted a separate proposal which is attached (Attachment II). The Army contends that Security Committee action does not adequately satisfy the intent of Recommendation No. 18 and accordingly the Army proposes that the Security Committee be reconstituted as the Counterintelligence and Security Committee to consider U. S. foreign counterintelligence policies, programs and problems. The Navy Member supports the Army proposal. The consensus of the Security Committee is that its report to the USIB adequately satisfies the intent of Recommendation No. 18 and that the Army proposal should be submitted by Army to the USIB as a separate matter for consideration.

11. The specific conclusions and recommendations of the Security Committee are as follows:

Conclusions

- a. The Executive Orders, NSC Intelligence Directives and Director of Central Intelligence Directives governing U. S. counterintelligence and security principles and practices abroad are adequate.
- b. U. S. security interests abroad require the widest distribution of counterintelligence and security information which is consonant with the protection of methods and sources. The timely exchange of such information among appropriate U. S. de-

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partments and agencies and between departmental security and counterintelligence components is essential and appropriate liaison should be maintained toward this end.

- c. There is a need for a policy statement by USIB concerning counterintelligence and security responsibilities with respect to the security of personnel and installations overseas.

Recommendations

The Board approve issuance of the attached draft policy statement with its attachments.



Chairman

Attachments
As indicated

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DRAFT

POLICY STATEMENT CONCERNING COUNTERINTELLIGENCE
AND SECURITY RESPONSIBILITIES

In order for the USIB member departments and agencies to carry out effectively their responsibilities for the security of overseas personnel and installations and without intent to infringe upon such broader authority or responsibility as any may now have under law, Executive Order or NSC directive, the United States Intelligence Board is agreed:

- a. There must be as close coordination as possible at all levels among the security and counterintelligence components of those USIB departments and agencies having overseas responsibilities in order that the hostile threat may be adequately assessed and effective countermeasures taken.
- b. Pertinent information concerning the efforts and capabilities of the opposition against U. S. personnel and installations overseas should be given as broad dissemination as possible among the counterintelligence and security components without unduly endangering methods and sources. There should

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be a continual exchange of such information at the national level and in the field. It is suggested that all departments and agencies concerned (1) sanitize useful materials which they produce, with a view to providing protection at the point of origin, and (2) ensure that the dissemination restrictions of the originating agency be observed.

- c. To ensure the availability of pertinent security and counterintelligence information to departments and agencies concerned, appropriate information developed concerning opposition efforts and capabilities should be submitted as soon as possible for inclusion in the central counterintelligence repositories in accordance with DCID 5/3.
- d. Wherever possible and appropriate, there should be meetings in the field of security and counterintelligence representatives of those agencies which have responsibilities in areas of mutual concern and have established liaison.

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- e. USIB member departments and agencies with overseas responsibilities are requested to initiate a review as they deem appropriate of their existing programs, regulations, practices, and procedures concerning counterintelligence and personnel and physical security utilizing the attached guide of desirable practices and procedures in this review. It is suggested that revision of existing programs, regulations, practices and procedures be made wherever applicable and appropriate to ensure a more effective system for the protection of installations and personnel overseas.

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GUIDE

PRACTICES AND PROCEDURES

FOR

COUNTERINTELLIGENCE

AND

SECURITY OF OVERSEAS

PERSONNEL AND INSTALLATIONS

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TAB "A"

COUNTERINTELLIGENCE

1. Counterintelligence and Security Policy Directives

U. S. Security and Counterintelligence personnel should be familiar with the executive and interdepartmental directives governing Security and Counterintelligence. Of key importance are EO No. 10450, EO No. 10501, NSCID No. 5, DCID Nos. 5/1, 5/2, and 5/3. A thorough grasp of these orders and directives and scrupulous adherence to their provisions are essential to the coordination of U. S. defenses overseas.

Similarly, each Security and Counterintelligence Officer should be familiar with this paper and with all regulations governing Security and Counterintelligence within his own department or agency.

2. Dissemination of Security and Counterintelligence Information Affecting U. S. Personnel and Installations Abroad

Counterintelligence and Security information directly relevant to the security of U. S. personnel, installations, classified equipment and documents, and operations outside the U. S. should be

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made available to appropriate Security Officers and the Counter-intelligence components of other U. S. agencies as rapidly and fully as circumstances permit. Especially important is information about hostile intelligence services, as well as national and international Communism. Within these categories are included current information on organizations engaged in hostile clandestine activity, all personnel within such organizations, functions, modus operandi, resources, strengths and weaknesses, and the like. Modus operandi information should include known facts about the use of such techniques as provocation, penetration, subversion, blackmail, sexual or other entrapment. For security purposes, an intensive examination of the adversary in a specific area, such as a major city abroad, is just as important as a broader view of a service or Communist organization in toto. Information which becomes available to Security and Counterintelligence Officers abroad should be promptly reported to the departmental headquarters concerned and thence, as appropriate and in conformance with DCID 5/3, to the central counterintelligence records. Within departments and agencies the exchange of such information between counterintelligence and security elements should be as rapid and complete as need-to-know and the protection of methods and sources will permit.

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a. Lateral Field Dissemination of Counterintelligence and Security Information

Lateral field dissemination of counterintelligence is frequently desirable from the viewpoint of speed and efficiency; but before undertaking lateral distribution, Security and Counterintelligence Officers should ensure that it does not conflict with departmental regulations designed to preserve the security of sensitive items of counterintelligence through centralized control.

b.



c. Meetings in Field

Security and counterintelligence personnel overseas within areas of mutual concern and who have established liaison, should meet periodically as

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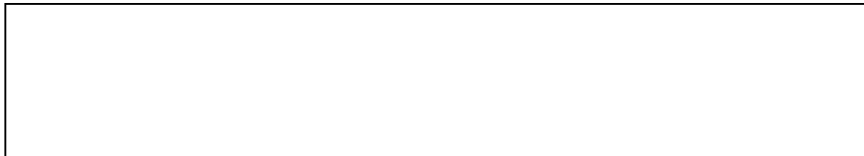
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appropriate to exchange pertinent security and counterintelligence information and to discuss mutual problems. Periodic meetings of such representatives in the field will permit more effective counteractions to be taken in matters of mutual concern.

d.



3. Notifying Appropriate Officials of Counterintelligence and Security Operations



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need-to-know basis. The informed cooperation of U. S. Government employees abroad will undoubtedly further U. S. security interests.

5. Security of Communication Activities

Maximum security support should be given to all forms of communicating and transmitting classified information including electrical means. Detailed studies should be conducted of current systems, including messengers, couriers, pouches, cables, and other forms of transmitting and communicating classified information to determine whether the security of such systems is adequate. The security of cryptographic systems of communication, however, is the responsibility of communications officials.

At present, certain systems of communicating and transmitting classified information among and between components of the various departments and agencies are not under the control of any particular department or agency. As a result, the responsibility for security protection of such systems has not been clearly assigned to any specific agency or department. Security Officers should be concerned with all means of communicating and transmitting classified

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information both domestically and overseas to ensure that maximum security support is given to limit the possibility of compromise.

Where appropriate, joint studies should be conducted by those agencies utilizing the same facilities.

6.



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the following year. Through such a review, plans of action to best cope with the threat can be made known to appropriate officials of each department to ensure that maximum support is given to such programs.

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9. Establishment of Training Programs

To ensure that Counterintelligence and Security personnel are kept abreast of counterintelligence and security programs, techniques and methods of reporting, training programs and facilities should be established and maintained where practicable on a regular basis. It would be advantageous if those agencies and departments which have established training programs could offer their training facilities to personnel of other agencies which may not have similar facilities. This should result in a more uniform implementation of security and counterintelligence programs.

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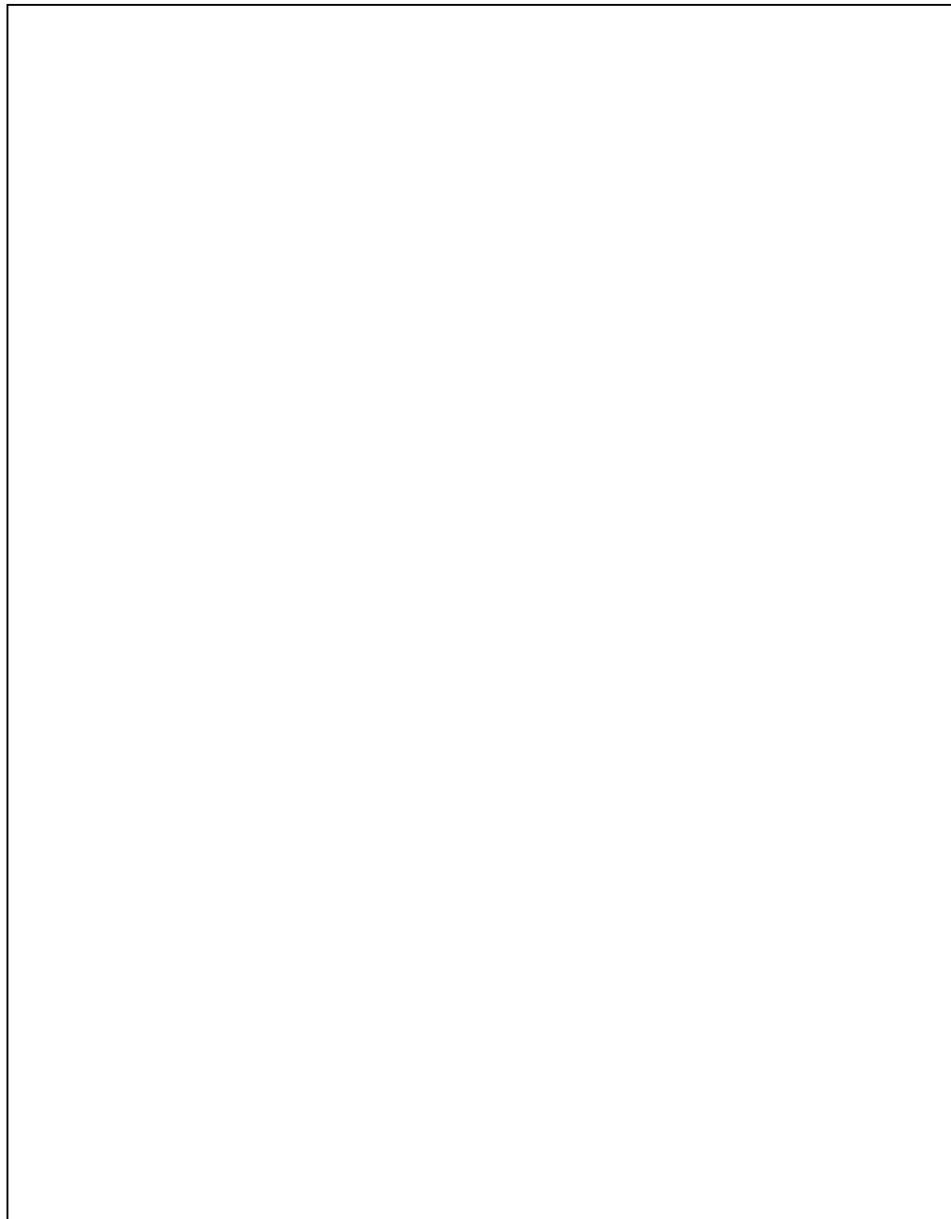
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TAB "B"

PERSONNEL SECURITY
OVERSEAS

1. Area Orientation

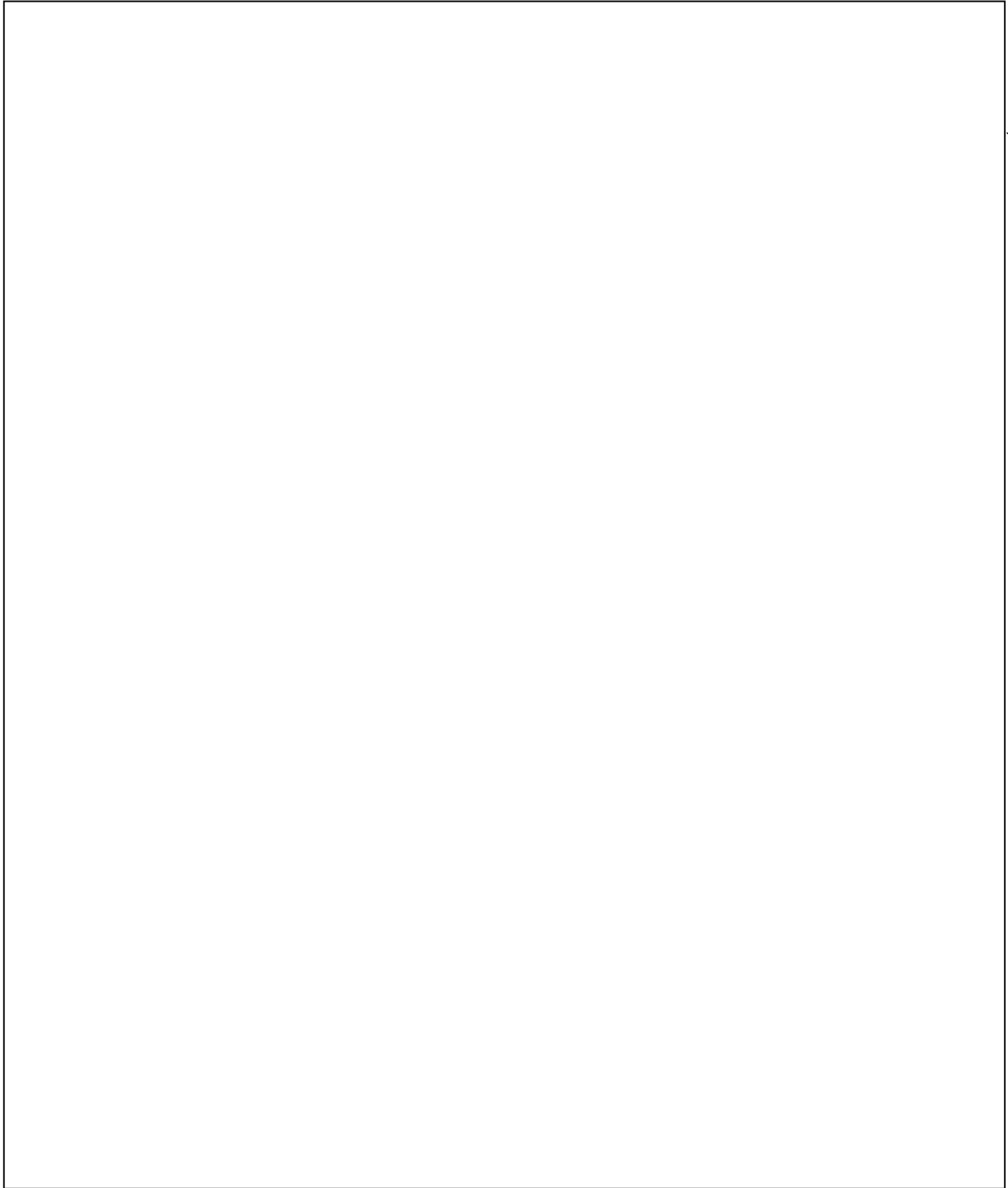


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2. Private Foreign Travel of Government Employees

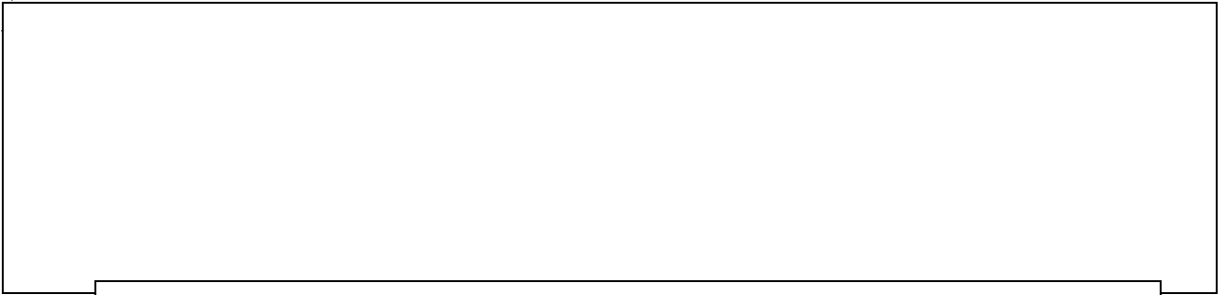


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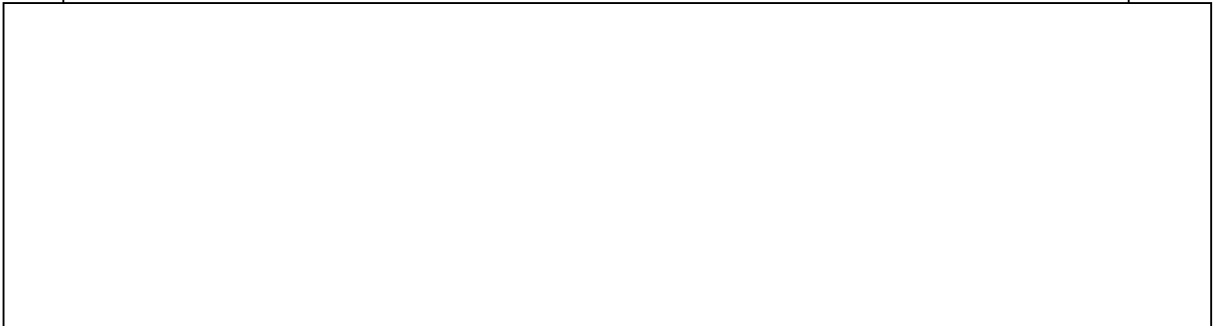
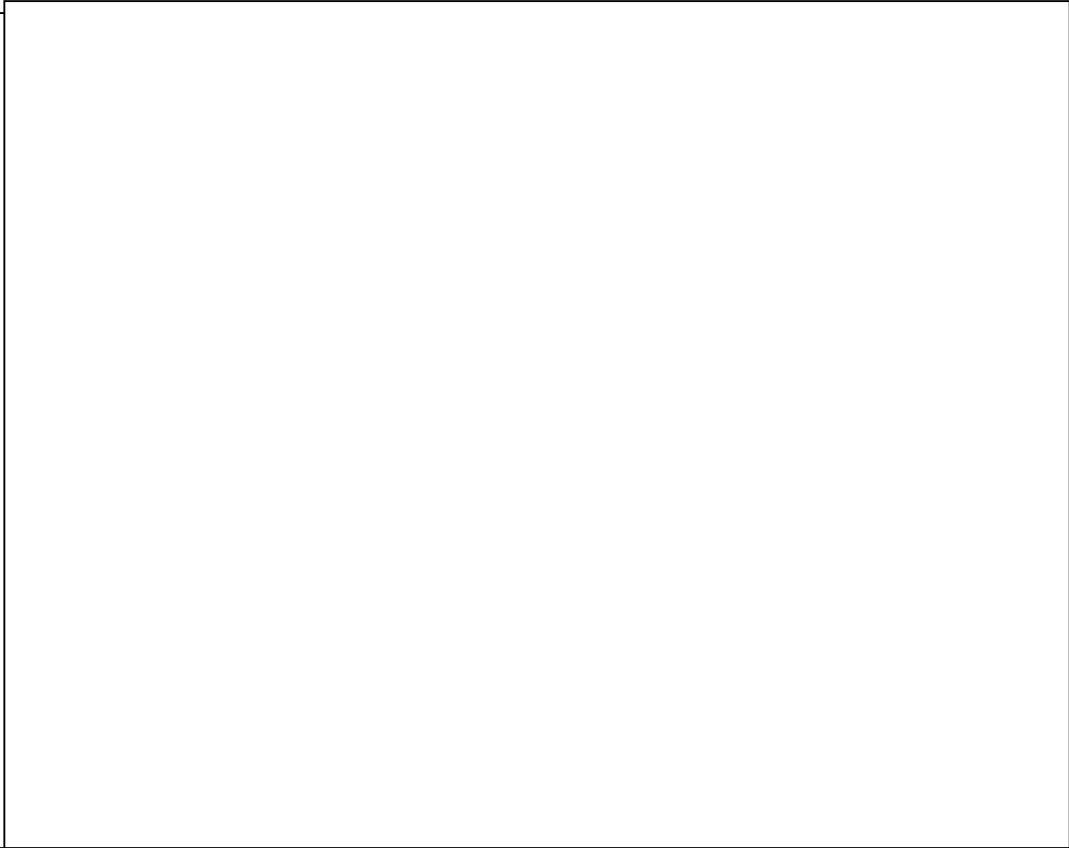
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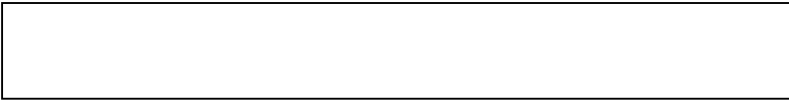


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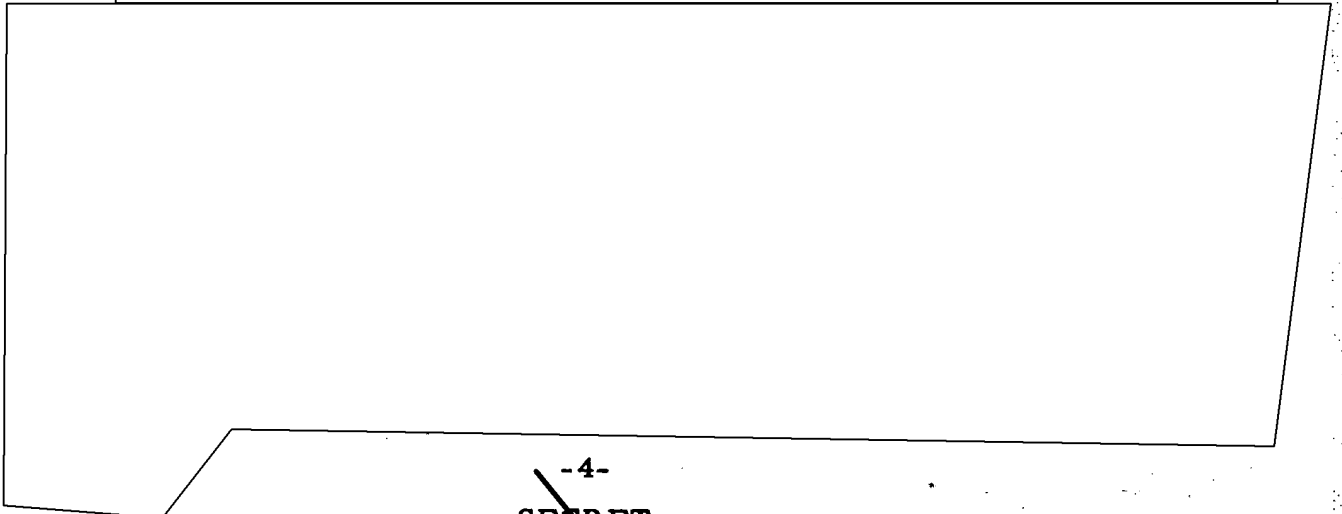
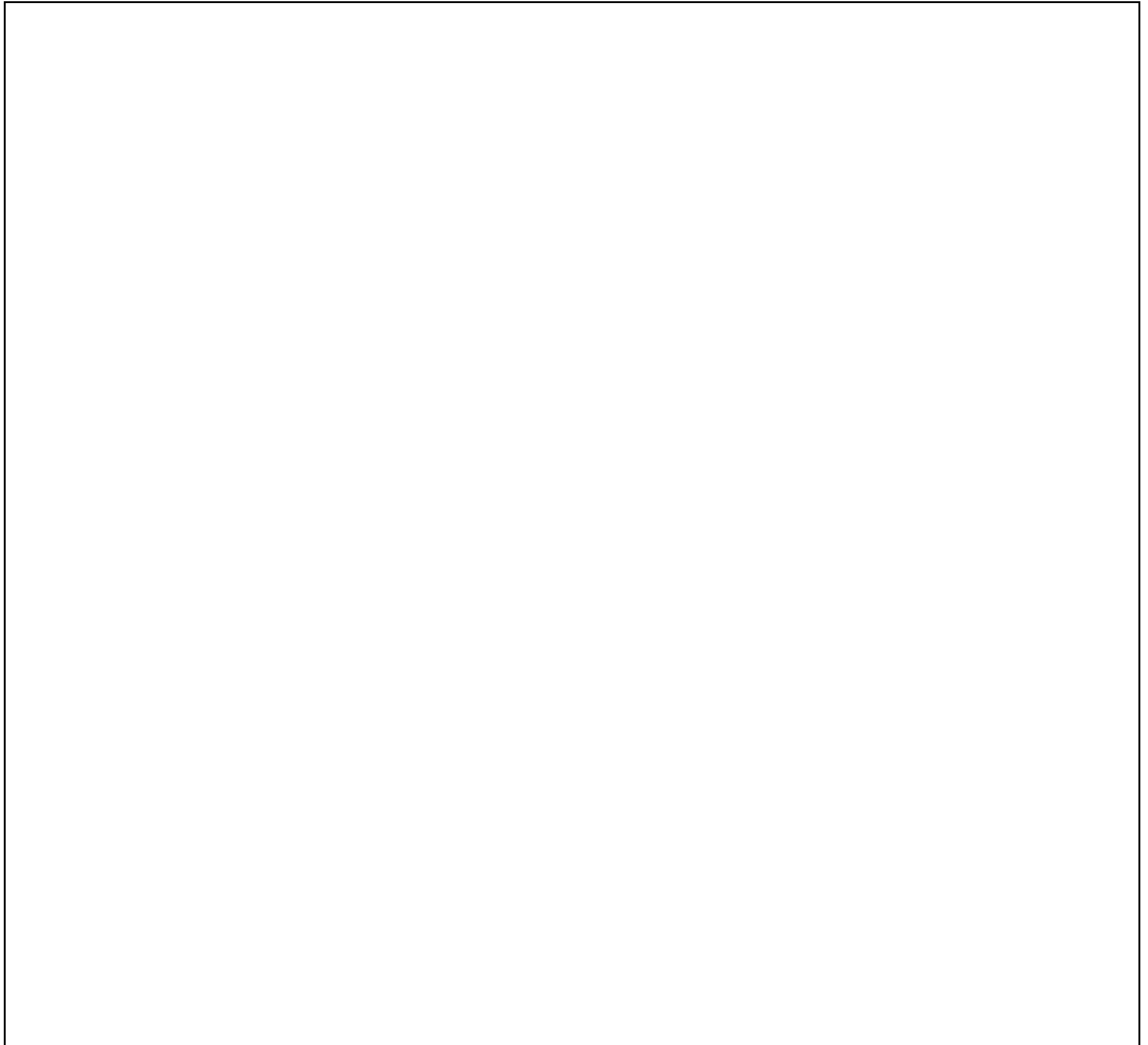
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4.



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5. Association With Foreign Nationals



6. Marriage of Employees to Aliens

Any employee desiring to marry an alien and to remain in the employ of the U. S. Government should

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submit complete biographic data on the intended spouse to his parent agency for appropriate checks, and a determination should be made regarding retention if marriage is concluded.

7. Employee Conduct

Supervisory and command officials should be seriously and continually concerned with the well-

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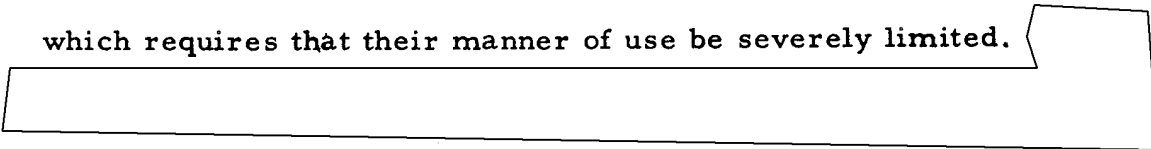
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being of their employees. They should observe the behavior of employees and should report promptly any unusual actions which may indicate serious behavior, medical or psychiatric problems. There should be a close liaison maintained between security and medical representatives both at headquarters and in the field, to ensure that both components are kept apprised of pertinent information affecting the health and security of employees. Appropriate security officials should be advised of any behavior which involves security factors or jeopardizes U. S. interest in order that appropriate measures may be taken.

8. Employment of Foreign Nationals

Foreign nationals employed by the United States on a continuing basis in or around U. S. installations overseas should be thoroughly investigated and their accessibility within the installation appropriately restricted and controlled.

The basic loyalty of such personnel is to their country of origin, which requires that their manner of use be severely limited.



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the direct supervision and observation of U. S. personnel. Such personnel should be thoroughly investigated prior to employment in every case where possible.

9. Clearance Procedures

The positions of all persons engaged in intelligence activities or having access to intelligence should be designated as sensitive under the criteria established by Executive Order 10450. Investigative coverage for such positions should include a field investigation to include interviews with neighbors as appropriate, supervisors and co-workers. Investigation should include a check of the subject's spouse and any close relatives who are aliens or U. S. citizens residing in a foreign country. Lengthy satisfactory Government service should not be the sole criterion for clearance if only minimum security checks have been conducted.

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10. Reinvestigation

A reinvestigation program on a five-year cycle basis should be considered to ensure that personnel assigned to sensitive positions continue to meet suitability criteria for assignment.

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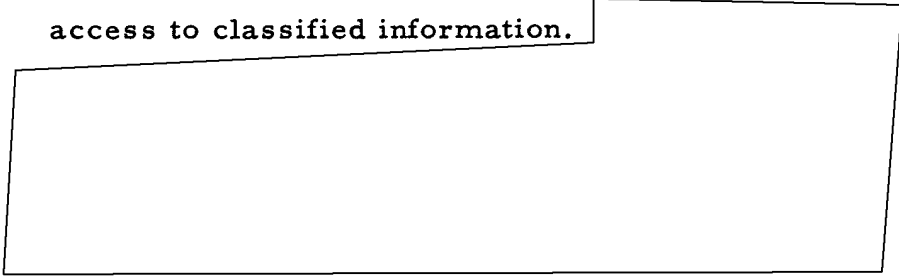
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TAB "C"

PHYSICAL SECURITY

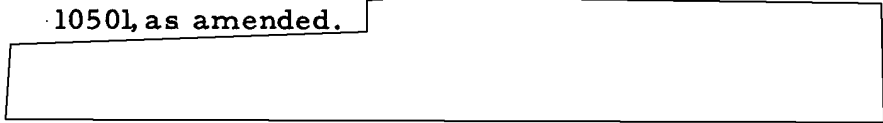
1. Control of Classified Information

Adequate physical security safeguards should be established and maintained in overseas installations to ensure that unauthorized persons are denied access to classified information.



2. Storage of Classified Material

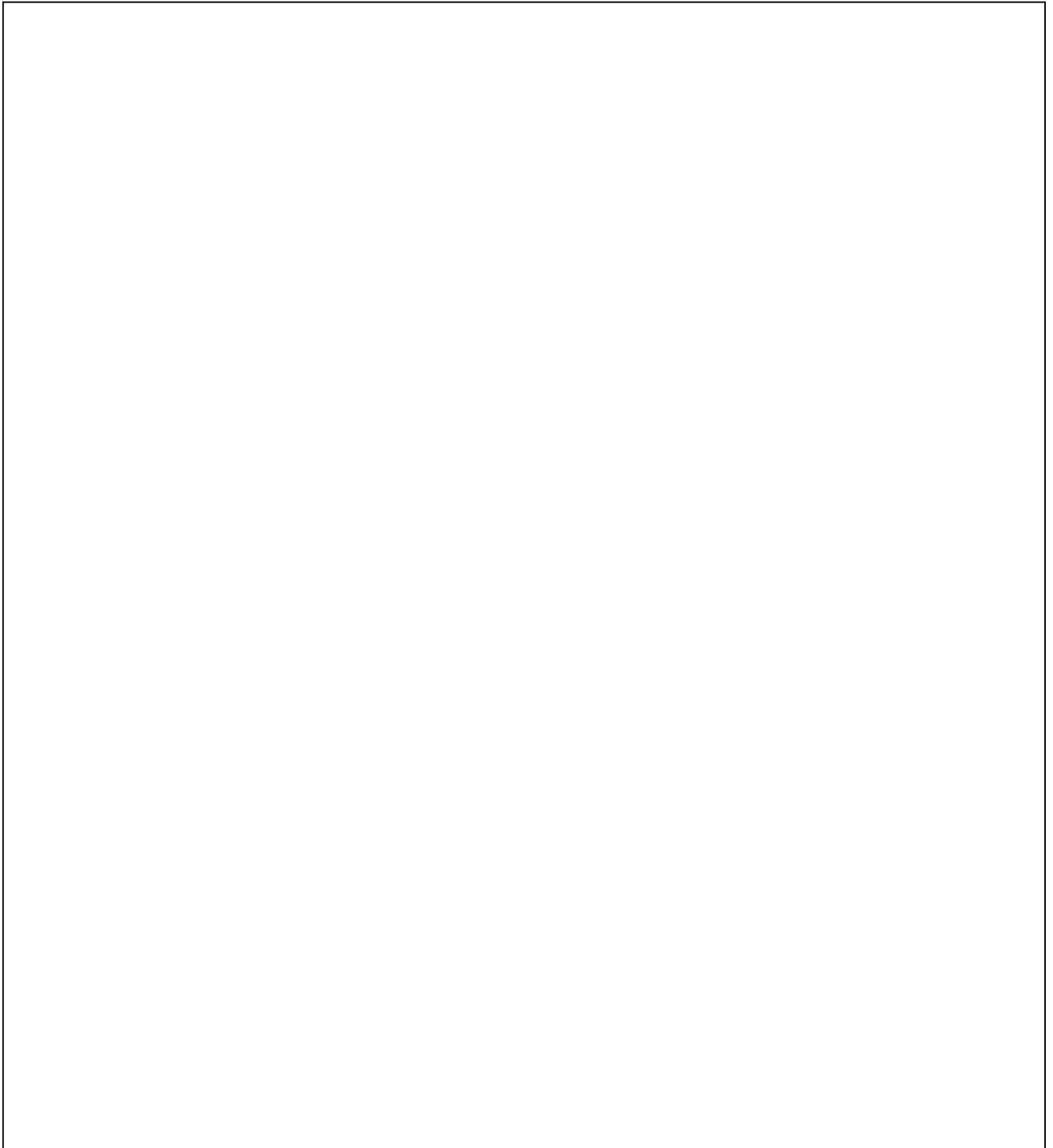
It is desirable that Secret material should be stored in accordance with storage requirements for Top Secret as set forth in Executive Order 10501, as amended.



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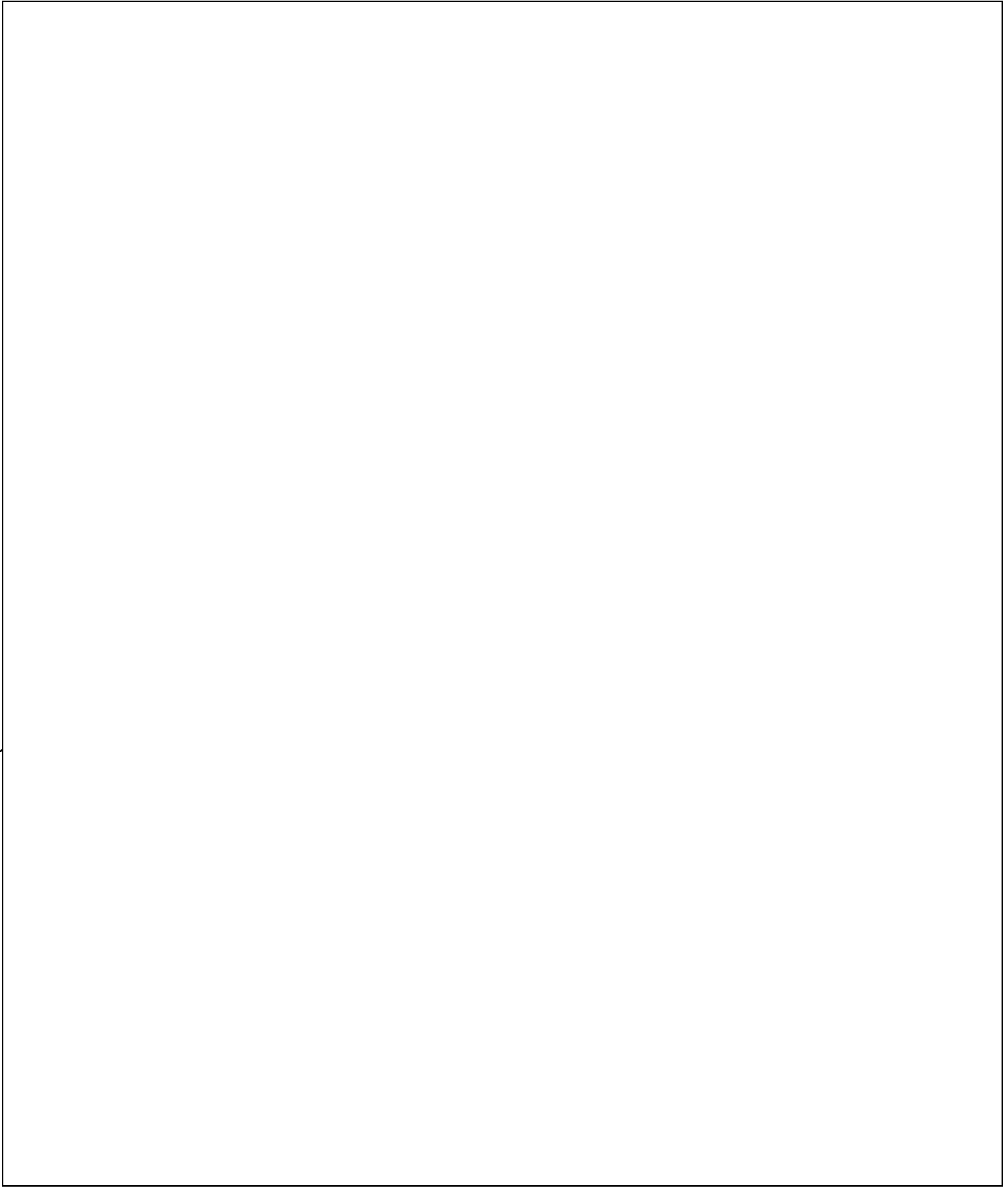


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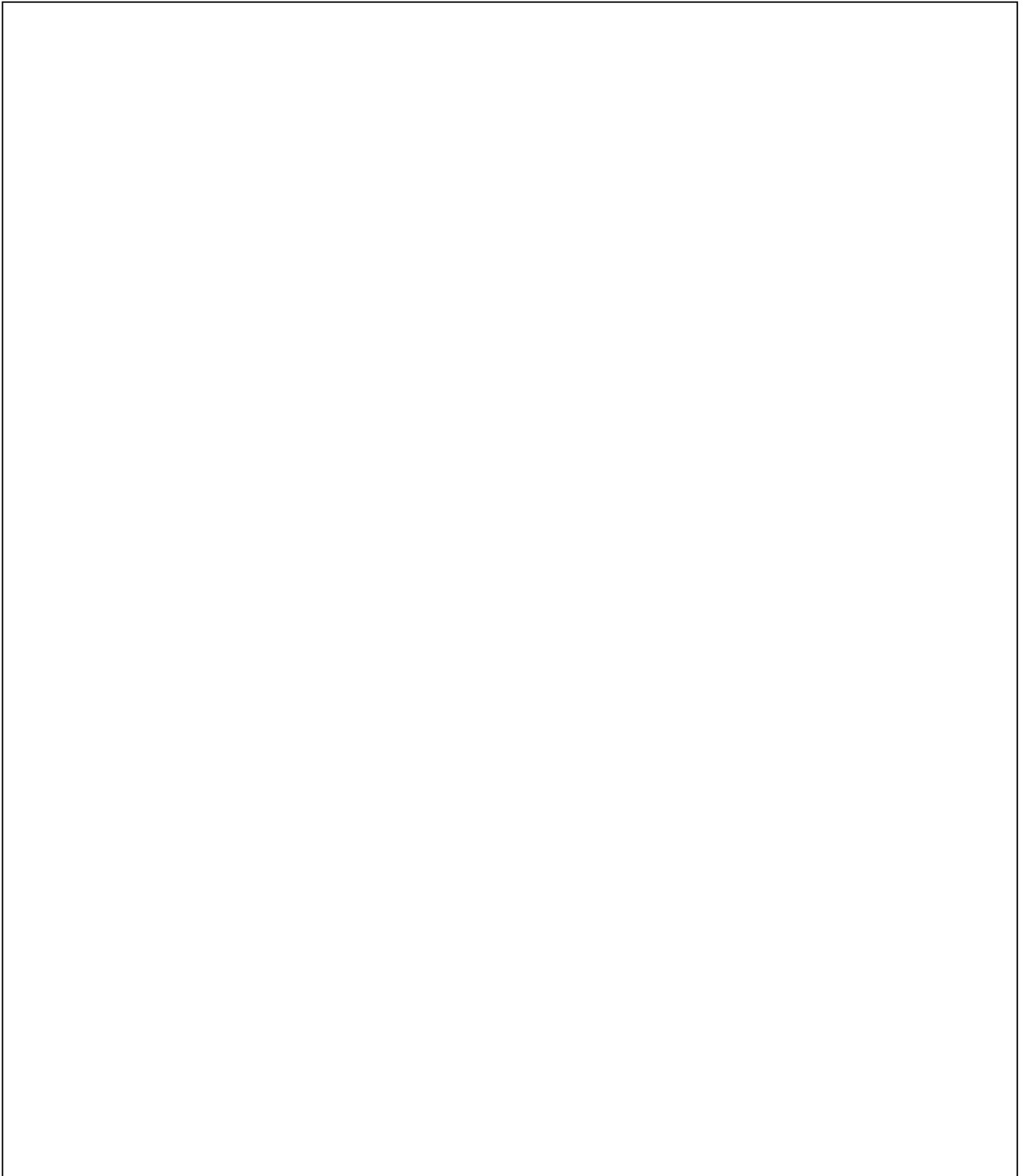


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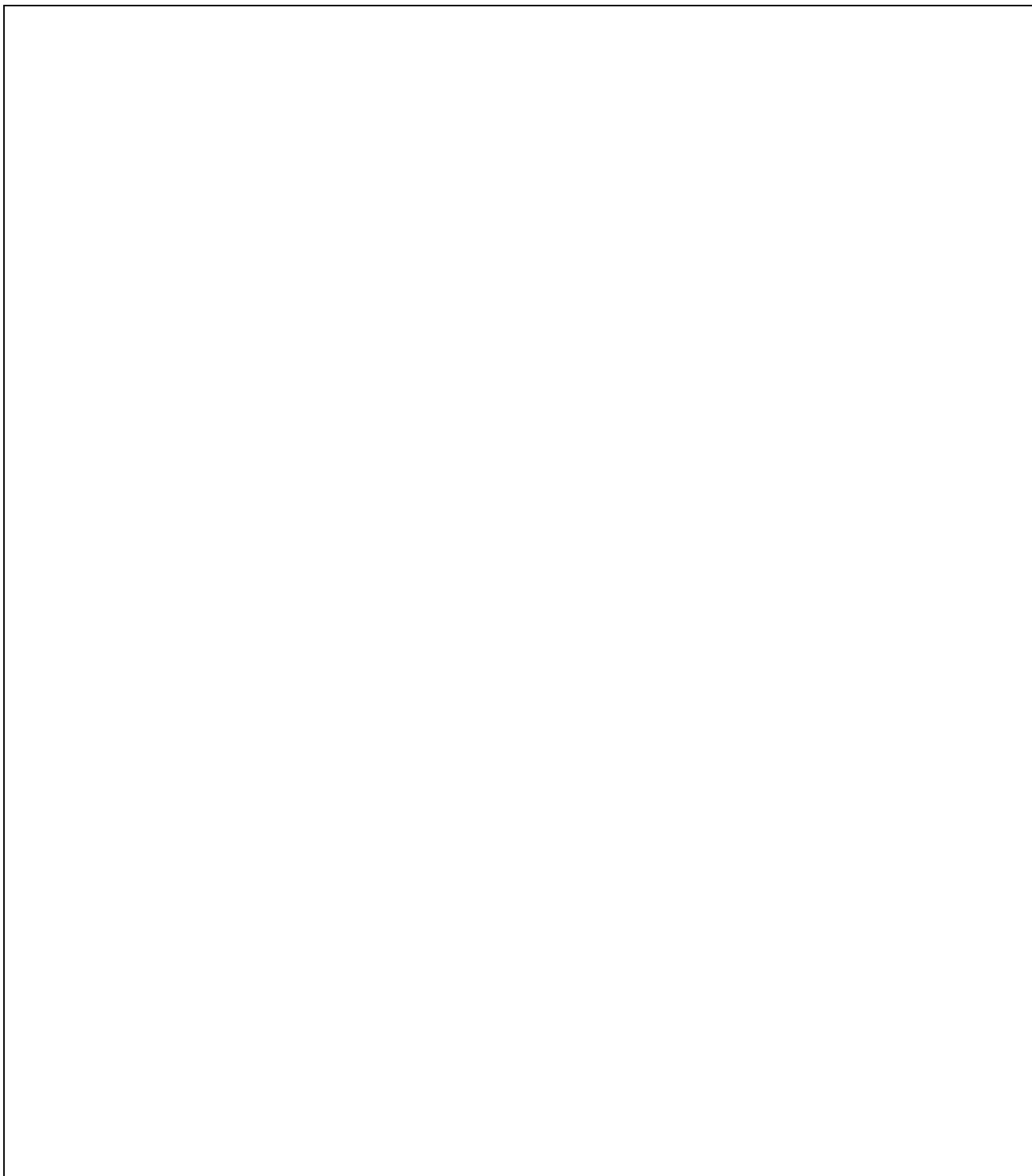


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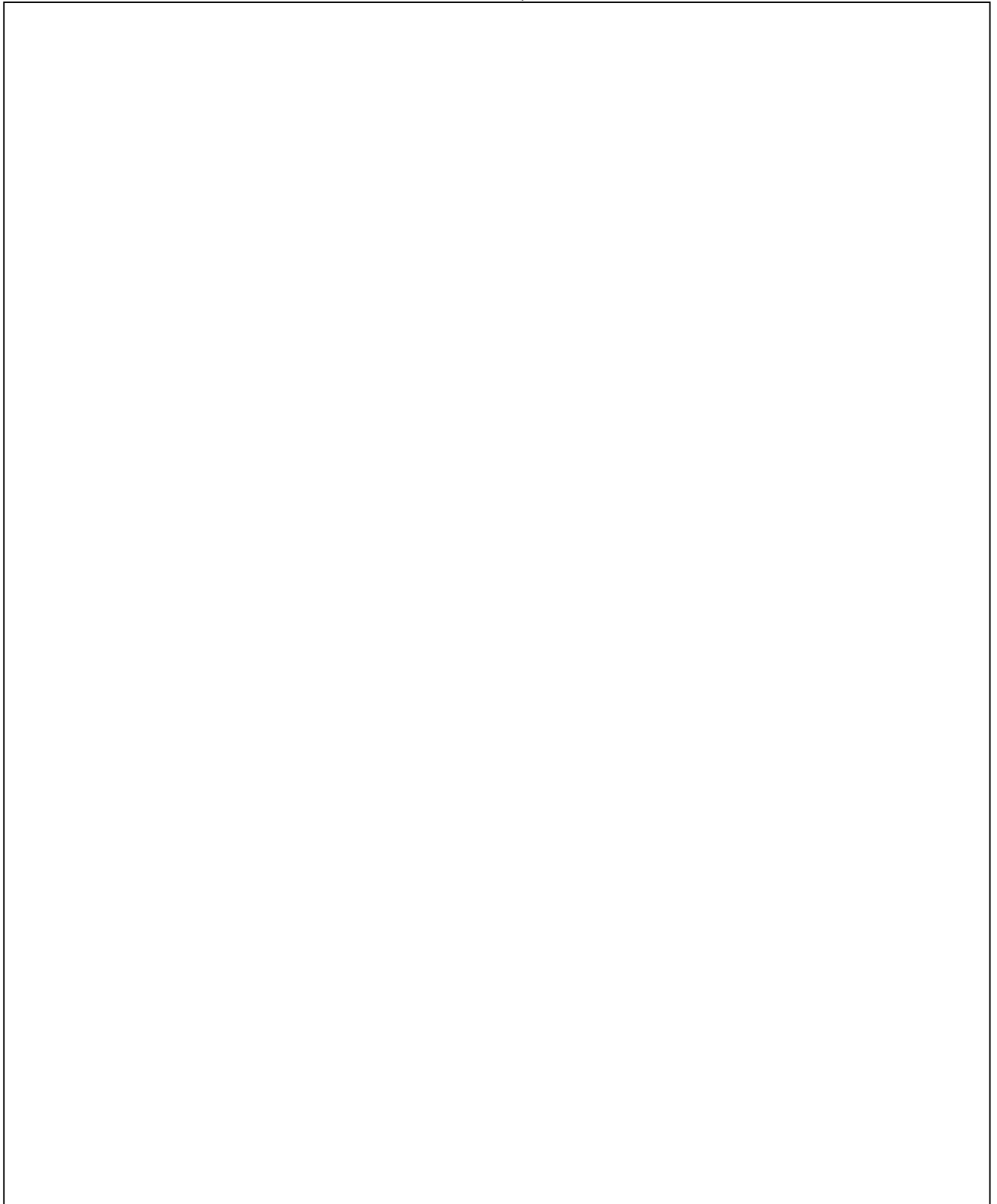


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Headquarters
DEPARTMENT OF THE ARMY
Office of the Assistant Chief of Staff for Intelligence
Washington 25, D. C.

ACSI-SC

18 May 1962

MEMORANDUM FOR: CHAIRMAN, SECURITY COMMITTEE,
UNITED STATES INTELLIGENCE BOARD

SUBJECT : Report of the Security Committee in
Implementing Recommendation No. 18
of the Joint Study Group Report re
"Foreign Intelligence Activities of the
United States Government" dated 15
December 1960

1. (S) The Army Member of the Security Committee takes exception to the report of the Security Committee in this matter and does not concur in its submission to USIB in its present form. Specifically, the following changes in the report to USIB are recommended:

a. Insert in second sentence, paragraph 5 of the Committee report: "... are adequate; however, it was noted in the field of counterintelligence that national intelligence directives could be revised to lead to increased focus of attention on that function. Implementation thereof"

b. Insert following paragraph just before "Conclusions" of present report: "In reviewing present USIB level coordination with respect to U. S. foreign counterintelligence programs and policies, the Security Committee found that there is no organizational body in the USIB structure which is now responsible for 'focussing community attention on the important area of counterintelligence etc.' DCID 5/1 provides an adequate mechanism for the coordination of individual clandestine counterintelligence operations, but this procedure cannot fulfill the requirements of Recommendation No. 18. Under DCID 5/1

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coordination on foreign counterintelligence matters is merely a subordinated part of the foreign positive intelligence process."

c. Revise "Conclusions" subparagraph "a." as follows:
" . . . are adequate, but they do not result in accomplishment of the intent of Recommendation No. 18."

d. Add the following subparagraph to "Conclusions":
"A positive organizational step within the USIB structure is necessary in order to insure accomplishment of the intent of Recommendation No. 18."

e. Add the following subparagraphs to "Recommendations":
"(1) The Board redesignate the Security Committee the Counter-intelligence and Security Committee and approve the revised statement of its Mission and Functions as shown in inclosure. (Revisions of DCID 1/11). (2) That the new Counterintelligence and Security Committee be assigned the task of compiling and submitting to the Board a report on member agencies implementation of Recommendation No. 18."

2. (C) The changes recommended above are believed necessary in order for the DCI and USIB to take a positive step to implement Recommendation No. 18. It is believed that the Committee report as it is now written does nothing more than continue the status quo.

/s/
MERRILL T. KELLY
Army Representative

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DIRECTOR OF CENTRAL INTELLIGENCE 1/11
COUNTERINTELLIGENCE AND SECURITY COMMITTEE

Pursuant to . . . a standing Counterintelligence and Security Committee . . . disclosure; and to review and report to the Board on overall US foreign counterintelligence policies, programs, and problems; and as concerns paragraph 5 thereof . . . thereunder:

1. Mission

The mission of the Committee shall be to assist the Board and the DCI in focussing intelligence community attention on the important area of foreign counterintelligence as it supports security; and to promote . . . methods.

2. Functions

a. To maintain a continuing review of US foreign counterintelligence programs, policies, plans, and major problems.

b. To report annually to the Board on the adequacy of US foreign counterintelligence programs, policies, plans and major problems.

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c. To recommend foreign counterintelligence policy
to the Board.

d. To make recommendations to the Intelligence
Board concerning Security standards

e. . . .

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h. . . .

i. . . .

3. Organization and Functions -

a. The Counterintelligence and Security Committee
shall be composed of counterintelligence and security representatives . .
Board.

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